

DENVER WATER

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Proposed Introduction of Recycled Water Rates

September 15, 2003

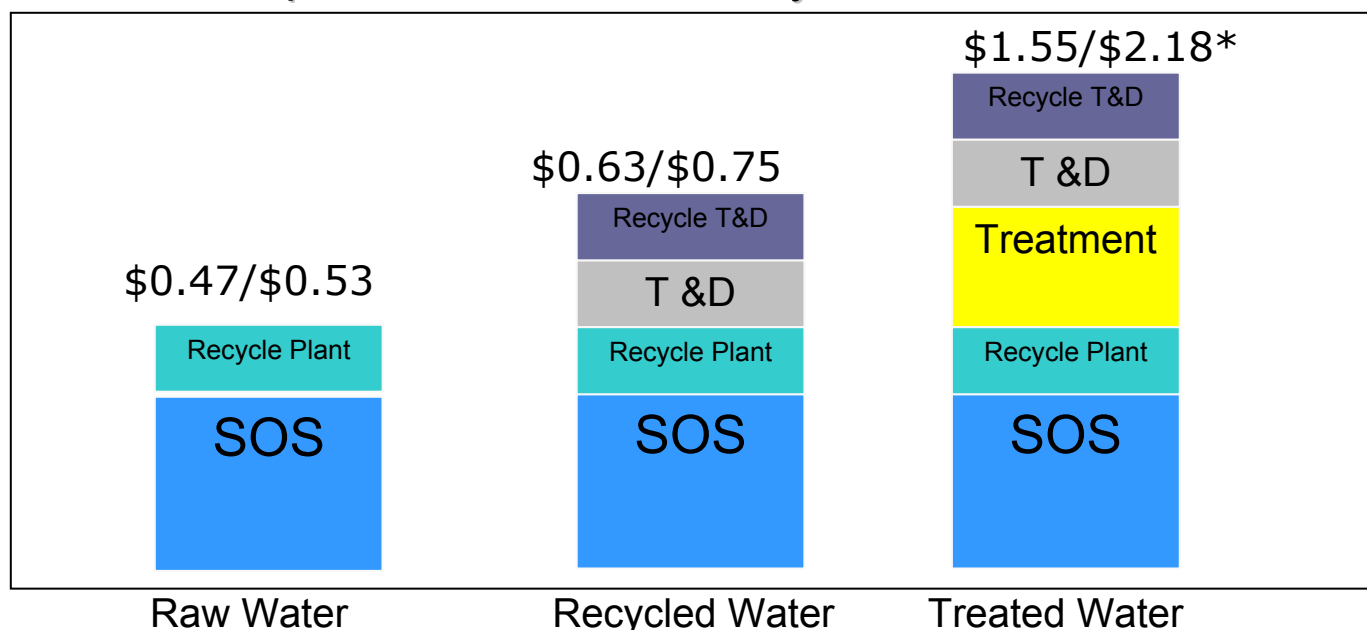
Denver Water is considering a new rate for recycled water customers. Recycled Water will be available to select customers in the early months of 2004. Denver Water's Board is hearing comments at its meetings on Tuesday, September 16, 2003 and Wednesday, October 1, 2003, and will make a final decision on the new recycled water rate on October 15, 2003.

The proposed rate is \$0.63 per 1,000 gallons for customers inside Denver and \$0.75 per 1,000 gallons for customers outside Denver city limits. Many utilities across the country set their recycled water rates by policy, but Denver Water elected to use widely accepted cost of service methodology to develop its recycled water rate. The table below shows the cost of service for recycled water, which falls between that of raw water and treated water.

Recycled water customers will pay a portion of Denver Water's transmission and distribution costs (T&D) where its raw water customers do not, but will not pay for treatment costs as treated water customers do. The chart below shows the cost of service for raw water, recycled water, and treated water with the proposed rates for inside Denver customers and outside Denver customers, respectively.

For questions on the proposed rates, contact Kerry Kuykendoll, manager of rate administration, at (303) 638-6439, kerry.kuykendoll@denverwater.org or your recycled water representative with other questions.

Proposed Allocation of Recycled Water Costs



*Treated water rates are the average of the proposed winter and summer commercial rates

Public Comment Period

The following are opportunities to comment in person to the Denver Water Board, Citizens Advisory Committee or to obtain further information:

Comments to the Denver Water Board

Staff available for questions

Wednesday, Oct. 1, 2003 and Wednesday, Oct. 15, 2003.

9:15 a.m.

Denver Water Board Room, 3rd Floor

1600 W. 12th Ave.

Denver, Colorado

Staff Briefing and Comments to the Citizens Advisory Committee and Board Members Present

Thursday, September 18, 2003

5:30 p.m.

Denver Water Board Room, 3rd floor

1600 W. 12th Ave.

Denver, Colorado

Staff Briefing and Comments to the Board Members Present

Tuesday September 23, 2003

6:30 p.m.

Central/Downtown Denver Public Library

10 West 14th Avenue Parkway

Denver, Colorado

Decision by the Denver Water Board on proposed increases

Board Meeting on Wednesday, October 15, 2003

Written Comments:

If you are unable to attend one of these meetings, you may send your comments to the Board **by 5:00 p.m. Thursday, October 9, 2003.**

Submit written comments to:

Joe Sloan

Denver Water

Community Relations

1600 W. 12th Ave.

Denver, CO 80204

Fax: 303/628-6349

Email: joseph.sloan@denverwater.org